



INVESTMENT FACT SHEET
FOR THE MONTH OF AUGUST 2024

GOVERNING COMMITTEES



BOARD FINANCE & INVESTMENT COMMITTEE

- **SHAHID GHAFFAR**
(CHAIRMAN)
- **RAFIUDDIN ZAKIR MAHMOOD**
(MEMBER)
- **OMER FAROOQ**
(MEMBER/SECRETARY)
- **JAVED AHMED**
(MEMBER/CEO)
- **JOHN JOSEPH METCALF**
(MEMBER)
- **SHAN RABBANI**
(MEMBER)

INVESTMENT MANAGEMENT COMMITTEE

- **JAVED AHMED**
(CHAIRMAN/CEO)
- **ZAHID BARKI**
(MEMBER)
- **SHAN RABBANI**
(MEMBER)
- **DILEEP KUMAR MAHESHWARI**
(MEMBER/SECRETARY)
- **OMER FAROOQ**
(MEMBER)
- **FARHAN AKHTAR FARIDI**
(MEMBER)
- **ASIF MOBIN**
(MEMBER)

EXTERNAL AUDITORS

- **A.F FERGUSON & CO PVT LTD**

APPOINTED ACTUARY

- **NAUMAN CHEEMA, NAUMAN ASSOCIATES, LAHORE**

KEY HIGHLIGHTS



Dear Participants,

Throughout the month, the KMI-30 index experienced mixed performance, gaining 1,864 points (+1.5%) M/M to close at 124,792 points. This increase was largely driven by the expectation of the approval and disbursement of first tranche under the IMF EFF program, as well as the rollover of debts from China, Saudi Arabia, and the UAE, which were crucial steps before the final program approval. However, the absence of Pakistan from IMF's Executive Board scheduled in Aug'24 brought few jitters to investor's sentiments. On a positive note, Moody's upgraded Pakistan's credit rating from Caa3 to Caa2, reflecting an improved financial outlook that has shifted from stable to positive. Additionally, in the MSCI review, Pakistan's weight in the frontier markets increased to 3.9%, previously 3.7%.

On the economic front, Pakistan's CPI Inflation was expected to turn into single-digit that reflected in the trend of secondary market yields, raising expectation to another rate cut in MPS of Sept-24. The CAD clocked in at US\$ 162mn in Jul'24, a 48% decline from the previous month. The trade deficit for Jul'24 was recorded at US\$ 2.43bn, an increase of 10% from last month. Further, the country's foreign reserves rose to US\$ 14.73bn, with SBP reserves standing at US\$ 9.4bn. Cumulatively, the price of petrol decreased by PKR 10.33/ltr during the month reaching at PKR 259.10/ltr, meanwhile HSD price dropped by PKR 10.02/ltr to PKR 262.75/ltr. PKR remained largely stable against USD in the market, closing at PKR 278.54/USD. Lastly, FDI dropped by 20% M/M to US\$ 136mn in Jul'24.

The major numbers during the month:

- CPI Inflation in Aug'24 clocked at 9.63% Y/Y, compared to 11.09% in Jul'24.
- The CAD for Jul'24 stood at US\$ 162mn, a decline of 51% from last month.
- PKR appreciated against USD by 0.2 rupees during the month, closing at PKR 278.54/USD.
- As of 30th August 2024, Brent stood at US\$ 78.8/bbl while Coal reached 114.0/mt.

The LSMI output for the month of Jun'24 decreased by 0.03% Y/Y. Overall large-scale manufacturing sector has shown a growth of 0.92% during FY24 with main contributors being garments (1.19), pharmaceuticals (0.80), petroleum products (0.63), chemicals (0.41), furniture (0.37), food (0.30), iron and steel products (-0.22), electrical equipment (-0.31), non-metallic mineral products (-0.36), tobacco (-0.42), automobiles (-0.62), and textile (-0.93).

Cement dispatches declined by 25.68% Y/Y in Aug'24, with total dispatches at 3.37MT compared to 4.53MT in SPLY. The total sales of petroleum products witnessed a decline of 14% Y/Y to clock in at 1.22MT in Aug'24, due to a rise in smuggling of HSD as well as reduced consumption of furnace oil. Moreover, the country's auto sales for Jul'24 recorded 8,589 units, a sharp fall of 35% compared to the previous month.

ECONOMY UPDATE

MACROECONOMIC INDICATORS

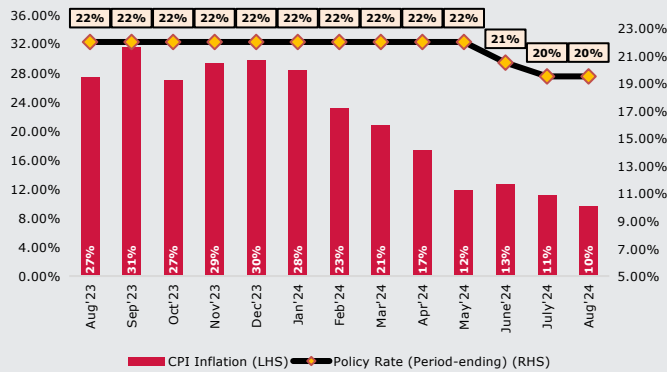
KEY STATISTICS	REPORTED MONTH	CURRENT	PREVIOUS	FYTD
Trade Deficit (USD mn)	July	(2,428)	(2,186)	(2,428)
Remittances (USD mn)	July	2,995	3,158	2,995
Current A/C Balance (USD mn)	July	(162)	(313)	(162)
FDI (USD mn)	July	136	169	136
Tax Collection* (PKR bn)	Aug	797	659	1,456
M2 Growth	Aug			-3.81%

Source SBP, FBR

* Provisional figures

The trade deficit for Jul'24 clocked in at US\$ 2.43bn, an increase of 10% M/M compared to a deficit of US\$ 2.18bn in Jun'24. Meanwhile for Aug'24, FBR collected PKR 797bn in taxes, against the target of PKR 898bn, reflecting a shortfall of PKR 101bn. During the first two months of FY25, the total tax collection stands at PKR 1.45trn, against the target of PKR 1.55trn, with a shortfall of PKR 98bn.

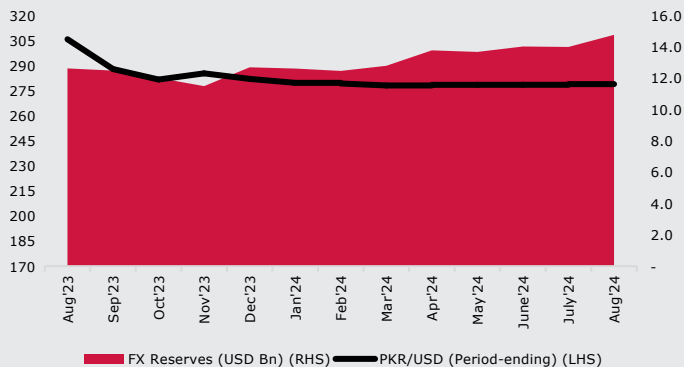
INFLATION



Source: PBS

The national CPI for the month of Aug'24 clocked in at 9.63% Y/Y compared to 11.09% Y/Y in the previous month. On an M/M basis, inflation increased by 0.38% compared to an increase of 2.10% in the previous month. To note, RIR stood at 9.87%.

PKR/USD PARITY VS FX RESERVES



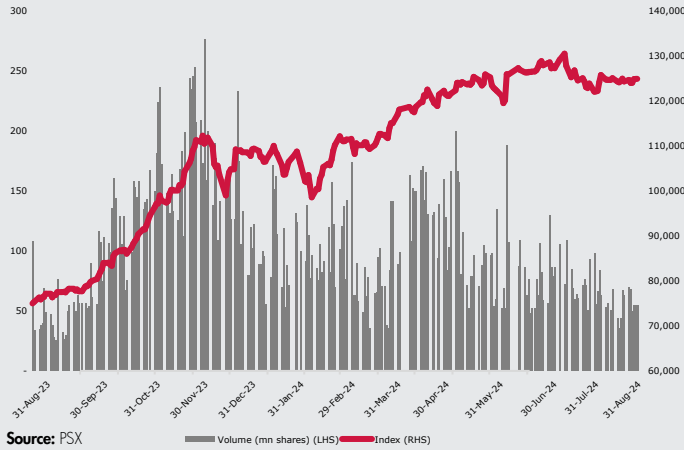
Source: SBP

As of 30th August 2024, net reserves with SBP reached US\$ 9.43bn, while commercial banks held US\$ 5.30bn in reserves, bringing the country's total reserves to USD 14.73bn. On the other hand, PKR remained relatively stable against the US Dollar, standing at a rate of PKR 278.54/USD.

CAPITAL MARKETS UPDATE

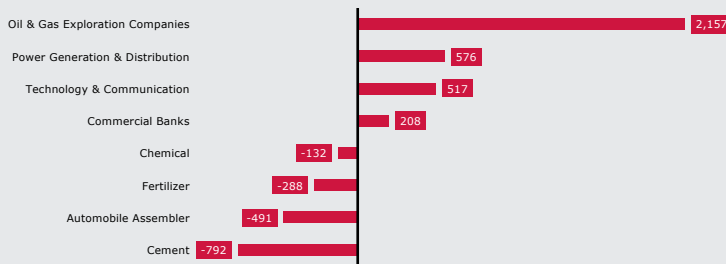
EQUITY MARKET

KMI -30 ONE YEAR PERFORMANCE



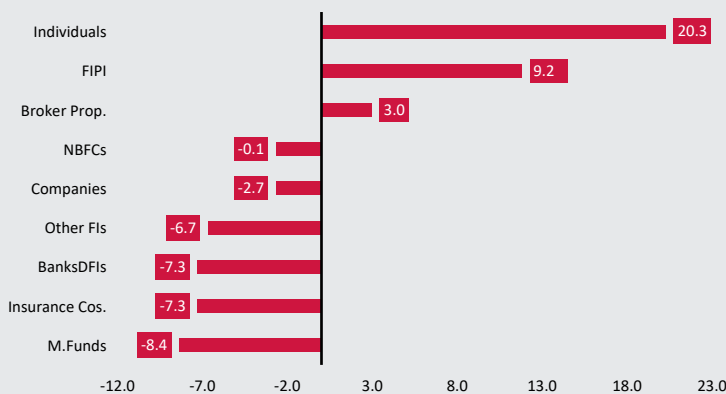
In August 2024, KMI-30 showed mixed momentum, closing at 124,792 points, a 1.5% M/M growth (+1,864 points). The average volume traded was 251mn shares, up by 12% M/M whereas average value traded reached PKR 13.2bn, reflecting a 5% decline from last month. The major developments that contributed to the market's performance are 1) Expectation of the approval from the IMF on the US\$ 7bn Extended Fund Facility (EFF) facility and 2) Moody's improved Pakistan's rating from Caa3 to Caa2.

SECTOR WISE TOP CONTRIBUTORS



The major sectors driving the performance of the equity benchmark during the month were Oil and Gas Exploration Co. (+2,157.09 points), Power Generation & Distribution (+575.79 points), Technology and Communication (+517.01 points), and Commercial Bank (+208.08 points). On the other hand, sectors that contributed negatively to market performance are Cement (-791.55 points), Automobile Assembler (-490.77 points), and Fertilizer (-287.87 points).

FIPI LIPI



Foreigners were net buyers aggregating US\$ 9.3mn with major inflows recorded in Oil and Gas E&P (US\$ 3.8mn), Technology (US\$ 3.0mn), FMCG (US\$ 2.7mn), Banks (US\$ 2.2mn), and Power (US\$ 1.8mn). On the other hand, outflow was recorded in Cement (US\$ 2.7mn), Fertilizers (US\$ 0.6mn), and Miscellaneous (US\$ 0.6mn).

On the domestic front, Individuals (US\$ 20.3mn) and Brokers (US\$ 3.0mn) were the major buyers, while Mutual Funds (US\$ 8.4mn), Banks/DFI (US\$ 7.3mn), Insurance (US\$ 7.3mn), Others (US\$ 6.7mn), and Companies (US\$ 2.7mn) were major sellers.

CAPITAL MARKETS UPDATE

DEBT MARKET

SECONDARY MARKET PKISRV

INSTRUMENT	AUGUST-24	JULY-24	CHANGE
GOISV-09-10-2024	100.36	100.35	0.01
GOISF-09-10-2024	100.67	100.69	(0.02)
GOISV-04-12-2024	100.72	100.70	0.02
GOISF-26-06-2026	105.33	103.28	2.05
GOISV-12-07-2026	101.17	101.01	0.16
GOISV-04-12-2026	100.79	100.03	0.76
GOISF-04-12-2026	101.03	99.97	1.06
GOISV-26-06-2028	104.61	103.07	1.54
GOISF-20-09-2028	101.85	101.80	0.05
GOISV-04-12-2028	104.75	101.25	3.50
GOISF-04-12-2028	101.71	101.21	0.50

Source: MUJAP

Throughout the month, the prices of GoP Ijara Sukuks VRR and FRR experienced a significant increase. This trend can be attributed to investors' preference for locking in yields at current levels, driven by expectations of further policy rate cuts in upcoming MPC meetings.

KIBOR

INSTRUMENT	AUGUST-24	JULY-24
Kibor-3 Month	18.05%	19.51%
Kibor-6 Month	17.91%	19.39%
Kibor-12 Month	17.32%	18.50%

Source: SBP

During the month, the Kibor rates for the 3-month, 6-month and 12-month periods wrapped up at 18.05% (-146bps MoM), 17.91% (-148bps MoM) and 17.32% (-118bps MoM).

AUCTION UPDATE

TENORS	CUT OFF	PREVIOUS CUT OFF	CHANGE
GOP IJARA VRR			
3 year	-.135 bps	-115 bps	-.20 bps
5 year	-.111 bps	-105 bps	-.6 bps
GOP IJARA FRR			
1 year	15.99%	17.22%	-.123 bps
3 year	15.00%	15.64%	-.64 bps
5 year	14.38%	14.99%	-.61 bps

Source: PSX

For GoP Ijara (VRR), participation of PKR 136 bn across various tenors was observed, as compared to the target of PKR 40 bn. Out of total participation, acceptance stood at PKR 61 bn across tenors during the month. The latest auction result clocked in at an acceptance of PKR 27 bn at a spread of -135 bps for 3-year tenor and PKR 33 bn at a spread of -111 bps for 5-year tenor.

For GoP Ijara (FRR), total market participation of PKR 308 bn was witnessed against the target of PKR 60 billion. MoF accepted a total of PKR 52 bn throughout the month. In the latest auction, PKR 32 bn was accepted at 15.990% (-123 bps MoM) in 1-year, PKR 0.25 bn at 15.001% (-64 bps MoM) in 3-year, and PKR 20 bn at 14.380% (-61 bps MoM) in 5-year.

STRATEGY & OUTLOOK



EQUITY MARKET:

Looking ahead, we anticipate improved investor confidence post the finalization of IMF program, debt relief from China and overall monetary easing with further rate cuts, however, any change in economic indicators, new government policies, corporate earnings, global events, and heightened political noise would potentially reshape market expectations. The current index valuation remains appealing, with P/E levels remaining low (3.97x).

Key triggers which can have an impact on benchmark include:

- IMF board approval of IMF Agreement of 37-month Extended Fund Facility (EFF) worth USD 7bn.
- Successfully securing rollovers and fresh financing from bilateral countries to support financing gap.
- Continued Monetary Easing in sight on the back of softening of headline inflation.
- International oil prices falling below US\$70 leading to softer commodity cycle.

We remain vigilant of the equity market's performance and will capitalize on any opportunity that arises to maximize returns for our policyholders.

DEBT MARKET:

In the backdrop of receding inflationary pressure, the Monetary Policy Committee has reduced the policy rate by a cumulative 250 bps to 19.50%. The inflation for the month of Aug'24 slowed to 9.63%, the first single digit reading in almost three years, marking an increase of 0.38% MoM, largely driven by the rise in food price index and motor vehicle tax.

Real interest rates continued to expand and currently stand at ~10%, as a result capital market has already incorporated a rate cut in upcoming monetary policy in scheduled MPS is September 2024. However, the risk of inflation persists. The removal of energy subsidies and certain budgetary measures could potentially exacerbate inflationary pressures. On the external front, the country is facing challenges to bridge financing gap of \$7 billion. Nonetheless, with the IMF's support, we expect that the country will be able to secure the necessary funds from both friendly nations and the commercial market."

Given the current favorable economic conditions and a positive outlook, we believe MPC will consider reducing policy rate by another 100-150 bps in its upcoming meeting on September 12, 2024. As a result, this scenario would make long-term fixed-income instruments more attractive to investors as compared to short-term duration alternatives as investors seek to lock in higher yields before further rate cuts. Considering the existing macroeconomic conditions and projected interest rates, our portfolios are well calibrated in longer-tenor Treasury Bills, Floating rate bonds, and Fixed rate PIBs. Lastly, we continue to remain vigilant about any developments that could affect our investment strategy.

FUND WISE STRATEGY

- **Jubilee Life Balanced Takaful Fund:** Jubilee Life Balanced Takaful Fund offers its participants high yielding return with optimal allocation of 73% in government backed instruments, along with 23% exposure in mutual funds, 1% in cash deposits and 3% in corporate sukus, thereby allowing policy holders to capitalize on opportunities along the yield curve.
- **Jubilee Life Aggressive Takaful:** Equity allocation in JL Aggressive Takaful fund is reduced to 10% to mitigate volatility resulting from the uncertain macro-economic environment that affects the equity market. The remaining 90% of the allocation is strategically placed in a diversified portfolio of high-yielding Shariah-compliant debt instruments and cash deposits.
- **Family Takaful Income Fund:** The Family Takaful Income Fund is projected to achieve a sustainable return in the medium-term by leveraging its exposure to low-risk GoP Ijara Sukus and bank deposits. The fund allocation is meticulously positioned, with a focus on GoP Ijara almost 93% and a remaining allocation of cash and bank deposits of 7%.
- **Family Takaful Balanced Fund:** Family Takaful Balanced Fund offers its participants high yielding return with optimal allocation of 82% in government backed instruments, along with 18% exposure in high yielding mutual funds, corporate sukus and bank deposits. This strategic allocation enables policyholders to maximize their benefits from opportunities along the yield curve.

BALANCED TAKAFUL FUND

Fund Manager's Report
August 2024

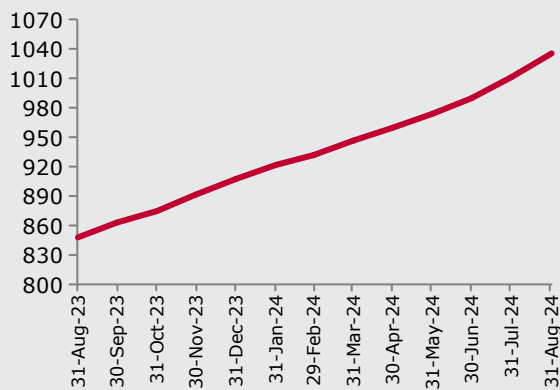
FUND OBJECTIVE

To optimize aggregate long-term risk adjusted return through capital appreciation, dividend and profit income by investing in a balanced portfolio of Shariah compliant equities, Equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Islamic Windows of Conventional Banks or any other Shariah Compliant instrument as permitted by regulations.

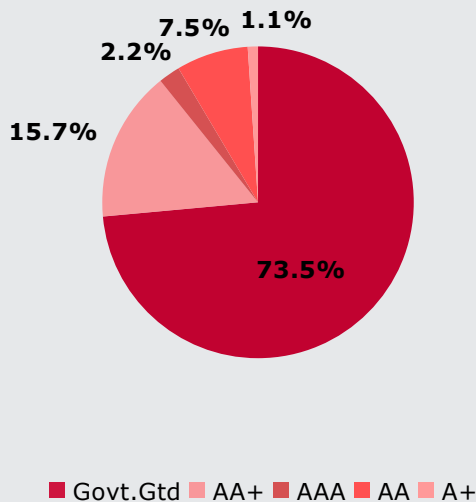
FUND MANAGER'S COMMENTS

During the month of August 2024 Balanced Takaful Fund's (BTF) Unit Price increased by PKR 24.16 (2.39%). The fund's allocation to government securities stands at 73.27% at month end against 72.51% last month while allocation to mutual funds is at 23. % versus 22.83% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Jubilee Life Balanced Takaful Fund
Net Assets	PKR 20,378 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.08.2024)	PKR 1,035.34
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.01%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.39%
3 months	6.31%
12 months (365 days)	22.11%
Calendar YTD	14.10%
Since Inception (annualized)	8.27%
5 Years (annualized)	12.20%

ASSET ALLOCATION

ASSETS	AUGUST-24	JULY-24
Government Securities	73.27%	72.51%
Sukuks	2.99%	3.17%
Cash and Short Term Deposits	0.72%	1.46%
Mutual Funds	23.00%	22.83%
Others Including Receivables	0.02%	0.02%

AGGRESSIVE TAKAFUL FUND

Fund Manager's Report
August 2024

FUND OBJECTIVE

To optimize aggregate long-term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio comprising of Shariah compliant Equities, Equity mutual funds, Sukuks (Government and Corporate) or deposits with Islamic Banks and Islamic Windows of Conventional Banks.

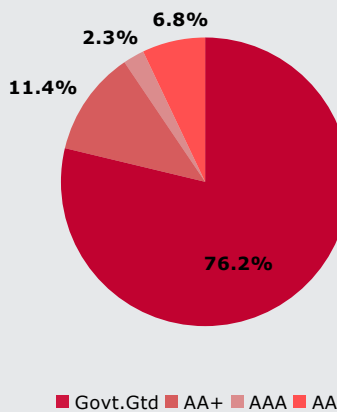
FUND MANAGER'S COMMENTS

During the month of August 2024 Aggressive Takaful Fund's (ATF) Unit Price increased by PKR 30.8 (3.88%). The fund's allocation to government securities stands at 68.39% at month end against 68.99% last month while allocation to equities is at 10.2% versus 8.34% last month. Within sectors, the fund is tilted towards Oil & Gas (Exploration Companies) with a total allocation of 93.03% followed by Pharmaceuticals with a sector allocation of 6.97% respectively.

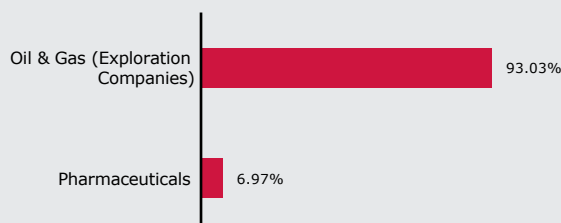
12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



SECTOR ALLOCATION (Equities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Aggressive Takaful Fund
Net Assets	PKR 12,644 Million
Launch Date	07.07.2015
NAV Per Unit At Launch Date (07.07.2015)	PKR 500.00
NAV Per Unit At Month end (31.08.2024)	PKR 823.71
Category	Aggressive Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	High
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.01%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	3.88%
3 months	7.44%
12 months (365 days)	28.55%
Calendar YTD	17.75%
Since Inception (annualized)	5.60%
5 Years (annualized)	8.65%

ASSET ALLOCATION

ASSETS	AUGUST-24	JULY-24
Government Securities	68.39%	68.99%
Sukuks	2.55%	2.83%
Cash and Short Term Deposits	1.22%	1.36%
Equities	10.20%	8.34%
Mutual Funds	17.61%	18.45%
Others Including Receivables	0.02%	0.03%

FAMILY TAKAFUL INCOME FUND

Fund Manager's Report
August 2024

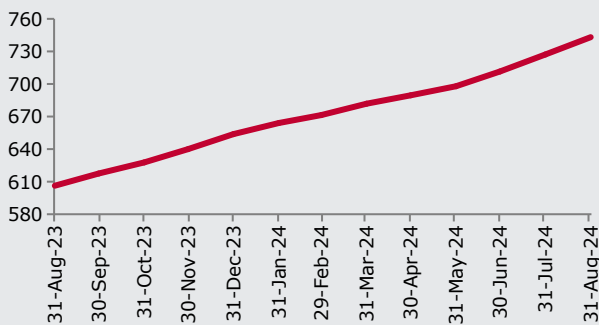
FUND OBJECTIVE

The investment objective of the fund is to provide sustainable returns to its policy holders over medium to long-term by investing in a diversified portfolio of securities consisting of different Shariah compliant money market and debt instruments.

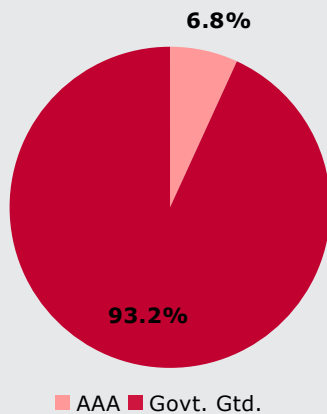
FUND MANAGER'S COMMENTS

During the month of August 2024 Family Takaful Income Fund's (FTIF) Unit Price increased by PKR 15.96 (2.2%). The fund's allocation to government securities stands at 93.16% at month end against 93.05% last month while allocation to cash and short-term deposits is at 6.8% versus 6.93% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Income Fund
Net Assets	PKR 5,451 Million
Launch Date	01.08.2021
NAV Per Unit At Launch Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.08.2024)	PKR 743.12
Category	Income Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Low
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.01%
Pricing Days	Monday to Friday
Weighted Average Maturity	567

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.20%
3 months	6.48%
12 months (365 days)	22.57%
Calendar YTD (annualized)	21.11%
Since Inception (annualized)	13.71%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	AUGUST-24	JULY-24
Government Securities	93.16%	93.05%
Cash and Short Term Deposits	6.80%	6.93%
Others Including Receivables	0.04%	0.02%

FAMILY TAKAFUL BALANCED FUND

Fund Manager's Report
August 2024

FUND OBJECTIVE

The investment objective of the fund is to earn competitive long-term risk adjusted return through capital appreciation, dividend and profit income by investing in Shariah Compliant Equity Instruments, Shariah Compliant Fixed Income Instruments, Shariah Compliant Money Market Instruments and any other Shariah Compliant instrument as permitted by regulations.

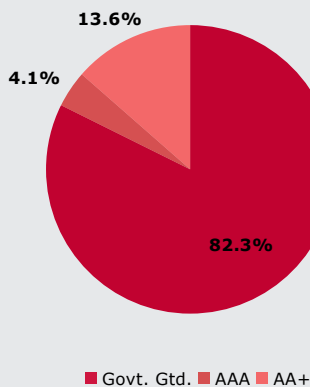
FUND MANAGER'S COMMENTS

During the month of August 2024 Family Takaful Balance Fund's (FTBF) Unit Price increased by PKR 14.86 (2.06%). The fund's allocation to government securities stands at 82.33% at month end against 82.51% last month while allocation to cash and short-term deposits is at 3.26% versus 4.34% last month.

12-M ROLLING FUND PRICE



ASSET QUALITY (Debt Securities)



FUND INFORMATION

DESCRIPTION	INFORMATION
Fund Name	Family Takaful Balanced Fund
Net Assets	PKR 1,010 Million
Launch Date	01.08.2021
NAV Per Unit At Launch-Date (01.08.2021)	PKR 500.00
NAV Per Unit At Month end (31.08.2024)	PKR 737.31
Category	Balanced Fund (Shariah Compliant)
Pricing Mechanism	Forward on daily basis
Risk Profile	Medium
Management Fee	1.50% p.a.
Expense Ratio CYTD	1.01%
Pricing Days	Monday to Friday

FUND RETURNS

PERIOD	RATE OF RETURN
1 month	2.06%
3 months	6.78%
12 months (365 days)	21.41%
Calendar YTD	13.81%
Since Inception (annualized)	13.42%
5 Years (annualized)	N/A
10 Years (annualized)	N/A

ASSET ALLOCATION

ASSETS	AUGUST-24	JULY-24
Government Securities	82.33%	82.51%
Term Finance Securities	0.83%	0.84%
Cash and Short Term Deposits	3.26%	4.34%
Mutual Funds	13.55%	12.25%
Others Including Receivables	0.03%	0.06%

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